



CITY OF HOLLISTER

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PUBLIC WORKS: ENGINEERING SECTION

Office Location: 420 Hill Street • Building C • (831) 636-4340 • Fax (831) 636-4349

DATE: February 1, 2006

TO: Responsible Agencies, Trustee Agencies, and Interested Persons

FROM: The City of Hollister, Public Works

SUBJECT: NOTICE OF PREPARATION OF A DRAFT ENVIRONMENTAL
IMPACT REPORT FOR THE CITY OF HOLLISTER DOMESTIC
WASTEWATER SYSTEM IMPROVEMENTS PROJECT AND THE
SAN BENITO COUNTY WATER DISTRICT RECYCLED WATER
FACILITY PROJECT.

PUBLIC REVIEW PERIOD: February 1 – March 3, 2006

The City of Hollister (City) is the lead agency for the preparation of an Environmental Impact Report (EIR) for the City of Hollister Domestic Wastewater System Improvements (DWSI) Project and San Benito County Water District Recycled Water Facility (RWF) Project. The City of Hollister, the San Benito County Water District (SBCWD) and San Benito County entered into a Cooperative Agreement that designated the City of Hollister as the lead agency for the preparation of the EIR in compliance with the California Environmental Quality Act (CEQA). See California Code of Regulations, Title 14, Div. 6, Ch. 3 (CEQA Guidelines). The Cooperative Agreement identifies the SBCWD and San Benito County as responsible agencies (CEQA Guidelines Section 15381).

CEQA Guideline 15082 states that once a decision is made to prepare an EIR, the lead agency must prepare a Notice of Preparation (NOP) to inform all responsible and trustee agencies that an EIR will be prepared. The purpose of the NOP is to describe the Proposed Project and potential environmental effects in order to allow agencies and interested parties to provide input on the scope and content of the EIR. Comments on this NOP are due to the City of Hollister by 5:00 p.m. on March 3, 2006.

PROJECT SUMMARY

The Proposed Project consists of improvements to the City of Hollister Domestic Wastewater Treatment Plant (DWTP) to increase quality of effluent produced and to increase the treatment capacity of the plant. The Proposed Project would also change the way that treated effluent is disposed of. Currently all of the treated effluent produced at the DWTP is disposed of by percolation beds located adjacent to the San Benito River. The Proposed Project would reduce the amount of water disposed of by percolation by developing disposal sprayfields and providing treated effluent as a recycled water supply for agricultural and urban irrigation. Because of high levels of salts and minerals in the treated DWTP effluent, agricultural and urban irrigation will be limited. To broaden the range of crops that could be irrigated with the treated effluent and to reduce the amount of salts and minerals entering the groundwater basin, a salt management program is included in the Proposed Project. The salt management program would utilize education programs, rigorous source control, including but not limited to, the elimination of on-site regenerating water softeners and a household water softener ordinance to reduce sources of salts and minerals entering the wastewater system. Advanced treatment through reverse osmosis treatment or electro-dialysis reversal will be used to demineralize groundwater or treated effluent to achieve recycled water supply quality goals.

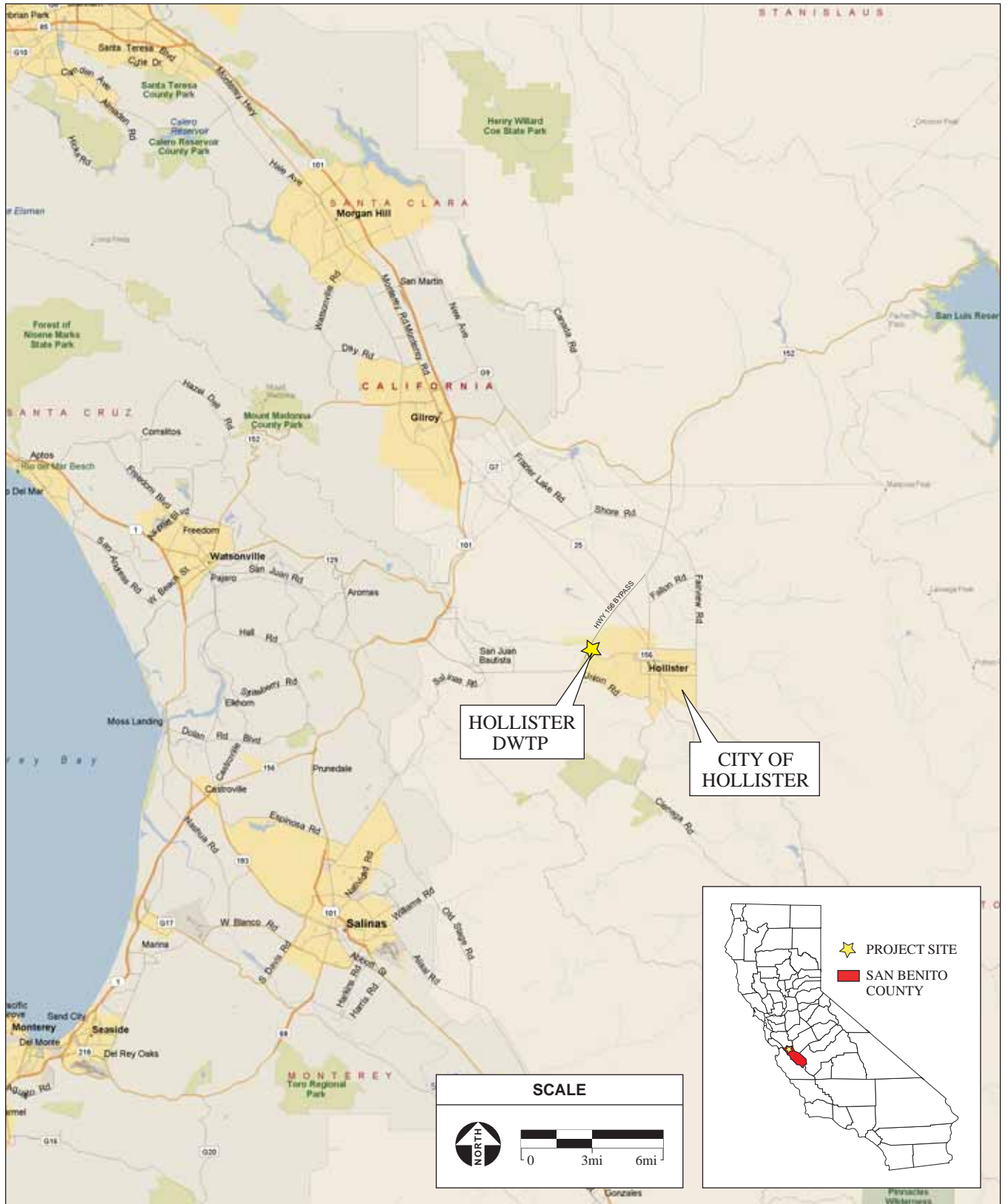
PROJECT LOCATION

The DWTP is located in the western portion of the City of Hollister and adjacent unincorporated land within San Benito County. The DWTP site is bisected by State Route 156 (SR-156) just north of the intersection with San Juan-Hollister Road (**Figures 1 and 2**). Project components of the DWSI Project that will occur on the existing DWTP site include the construction of a membrane bioreactor (MBR) treatment facility, a septage receiving station, and a seasonal storage pond. The MBR facility would be located east of SR-156 on an area currently developed with a storage pond. The septage receiving station would also be located east of SR-156 on an area located in the vicinity of the plant entrance. The seasonal storage pond would be located west of SR-156 on an area currently developed with disposal beds.

The Proposed Project includes the development of disposal sprayfields and irrigation projects that will utilize recycled water generated by the DWTP. **Figure 2** identifies the initial area where treated wastewater could be feasibly delivered to be disposed of by sprayfields or be reused through irrigation projects. Considerations taken into account in determining the initial area include proximity to the DWTP, land uses, infrastructure costs, and regional groundwater management goals. The Proposed Project will result in the initial development of approximately 875 acres of sprayfields and irrigation projects. No specific sites have been selected at this time. Selection of specific sites will be based on landowner interest, infrastructure costs, feasibility, consistency with groundwater management plans, adherence to recycled water regulations, environmental constraints, and other concerns. As the quality of the recycled water improves as the result of the Salt Management Program, the initial area may be expanded to include additional irrigation use in surrounding areas.

PROJECT BACKGROUND

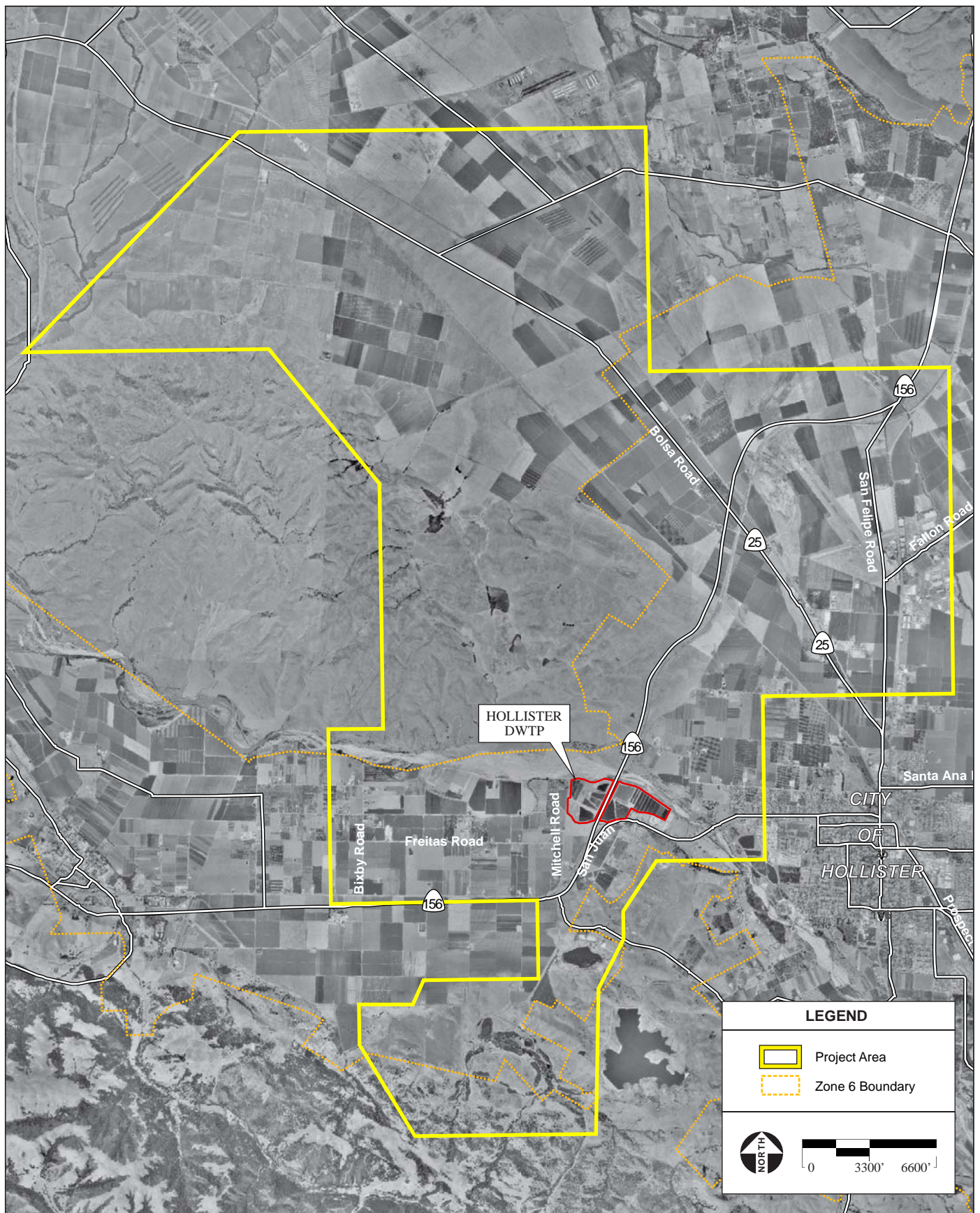
The DWTP was originally built in 1979 and became operational in 1980. At that time, the treatment plant consisted of a primary pond system with percolation ponds. In late 2002, the City initiated interim improvements at the DWTP to improve treatment and disposal quality and efficiency until the Long Term Wastewater Management Plan (LTWMP) could be implemented.



SOURCE: Microsoft Streets & Trips, 2004; AES, 2006

Hollister DWSI & SBCWD RWF Project NOP / 203561 ■

Figure 1
Regional Location



SOURCE: RMC Water and Environment, 2005; San Benito County Water District, 2005; City of Hollister, 2005; USGS Aerial Maps; AES, 2005

Hollister DWSI & SBCWD RWF Project NOP / 203561 ■

Figure 2
Initial Recycled Water Project Area

These interim improvements introduced considerable changes to the treatment process by converting to a dual-powered multi-cellular (DPMC) process to improve efficiency. The DWTP still disposes of treated effluent in fifteen percolation beds located on the east and west sides of SR-156, and additional beds located at the Industrial Wastewater Treatment Plant. The existing wastewater treatment plant treats approximately 2.7 million gallons per day (MGD) and meets all existing Waste Discharge Requirements.

The Central Coast Regional Water Quality Control Board (CCRWQCB) has indicated that a new treatment plant would be required to meet nitrate limits as established in the local groundwater basin plan. The existing treatment plant is not capable of meeting this nitrate requirement. Additionally, the disposal of treated effluent at the existing percolation beds has been identified as contributing to high groundwater levels and high total dissolved solids (TDS) in the San Juan Groundwater Sub-Basin of the Gilroy-Hollister Groundwater Basin.

PROJECT DESCRIPTION

The DWSI Project and the RWF Project comprise the two major components of the Proposed Project. Individually, these two projects include a number of component projects that would be implemented in phases. **Table 1** identifies phasing of the various components. These components are described in more detail below.

TABLE 1
PROJECT PHASING

Phase I (2008-2013)	Subsequent Phases
DWSI Project	
Membrane Bioreactor (MBR) Facility	Salt Management Program (salinity education program, industrial salt control in municipal wastewater, water softener ordinance, advanced treatment and concentrate disposal).
New Septage Receiving Station	Additional disposal sprayfields (only as necessary to dispose of treated wastewater that cannot be recycled due to quality or market conditions - more likely phasing out of disposal sprayfields due to development and transition of recycled water use to high-value food crops).
1,500-Acre-Foot Storage Reservoir	An additional 500 AF of seasonal storage capacity either at the existing DWTP site or at an undetermined off-site location.
Disposal Sprayfields*	
Continued percolation on eastern beds of the DWTP	Continued percolation on eastern beds of the DWTP.
RWF Project	
Recycled Water Demonstration Project (40 to 100 acres)	Deliver recycled water (700 mg/L TDS) to San Juan Valley, Freitas Road and Wright Road and/or Buena Vista Road areas for agricultural use.
Recycled water for existing irrigated areas*	Other Irrigation Projects (e.g. San Juan Oaks and Ridgemark golf courses).
Note: * In addition to the Demonstration Project, approximately 875 acres of disposal sprayfields and other irrigation projects would be developed in Phase I.	

DWSI Project

Proposed improvements to the DWTP consist of constructing a new treatment system to provide a higher level of treatment, and increasing capacity to 5 MGD. Specific improvements include a MBR facility, septage receiving station, seasonal storage ponds, and sprayfields. The DWSI Project also includes the Salt Management Program. Details of these components are provided below. Construction of the MBR facility, septage receiving station, 1,500 acre-foot seasonal storage pond, and disposal sprayfields would occur during Phase I of the Proposed Project. Other components including the additional 500 acre-foot seasonal storage pond and the Salt Management Program would occur as subsequent phases.

Treatment Plant

The existing treatment plant would be converted to a MBR system. MBR systems produce a high-quality effluent ideal for reclamation use. Effluent from MBRs meets the California Department of Health Services' (DHS) comprehensive recycled water regulations, which define treatment processes, water quality criteria, and treatment reliability requirements for public use of recycled water. These regulations are contained in Title 22, Division 4, Chapter 3 of the California Administrative Code and are more commonly referred to as Title 22. The MBR facility would produce effluent meeting the category of disinfected tertiary recycled water. Allowable uses for disinfected tertiary recycled water include the irrigation of the edible portion of food crops, schoolyards, golf courses and residential landscaping.

The proposed MBR facility would be located at the existing DWTP site and would replace the existing facility. Construction of the MBR facility would require the partial demolition of the existing treatment plant. The MBR facility would include a structure to house the MBR process trains, pretreatment facility, odor control biofilter, pump and blower building, chlorine contact basin, effluent pump station, operation building, solids dewatering building, septage receiving facility, and associated facilities. The existing DPMC treatment system would remain in service until the new MBR facility is in operation. It is assumed that the MBR facility would come online in early 2008.

Seasonal Storage and Percolation Beds

Construction at the DWTP would require the abandonment of a pond that is currently used for effluent storage. To replace this lost storage area, and to provide additional storage capacity through the winter months, an approximately 1,500-acre-foot seasonal storage pond would be constructed in the area of existing percolation beds west of SR-156. As wastewater flows increase as the result of growth envisioned in the City of Hollister General Plan, an additional 500 acre-feet of storage would be required to meet storage needs through 2023. This would be developed on the DWTP site or an undetermined off-site location as a future phase. Use of the remaining percolation beds east of SR-156 would continue to be used for the disposal of treated effluent; however, the volume of treated effluent disposed of in the beds would be reduced as treated effluent would be diverted to sprayfields and irrigation projects.

Sprayfields

The treated effluent that is not disposed of by percolation on the DWTP site would be disposed by sprayfields or used for irrigation projects (irrigation projects would be developed under the RWF Project described below). When the MBR facility comes online in early 2008,

approximately 2,400 acre-feet per year (AFY) of treated effluent would be available for disposal by sprayfields and irrigation projects. This volume would increase to approximately 3,000 AFY in 2013 and to about 4,200 AFY in 2023. The construction of sprayfields would require a network of pipelines located beneath or along existing roadways. The sprayfields would consist of networks of pipelines and sprinklers similar to existing agricultural and urban irrigation practices used in the region. To provide adequate disposal capacity, approximately 875 acres of sprayfields and irrigation projects would be developed during Phase I. Disposal sprayfields are intended to be utilized only until improvements in water quality enable the expanded use of treated effluent to irrigate a wider variety of crops. However, depending on when recycled water objectives are met it is possible that additional sprayfields would be developed as a later phase to provide adequate disposal capacity.

Salt Management Program

High levels of total dissolved solids (TDS) would not be reduced during the treatment of effluent. Dissolved salts and minerals would simply pass through the membranes of the upgraded system. Currently, wastewater TDS levels average approximately 1,200 mg/L and range from 1,100 to 1,400 mg/L. Based on wastewater quality data and crop tolerances, demineralization (reduction of TDS) is necessary to provide a recycled water quality that is suitable for agricultural and/or urban use. The objective of the Salt Management Program is to reduce TDS to a target level of 500 mg/L and a not to exceed level of 700 mg/L. and would be achieved by instituting source control programs for municipal and industrial users including, but not limited to the elimination of on-site regenerating water softeners, and construction of advanced treatment systems to reduce the TDS levels of groundwater or treated effluent. A description of the various proposed controls is provided below. The DWSI project includes provisions to add demineralization at the site. However, because the specific details have not been identified within these programs at this time, the EIR will only be addressed at a programmatic level.

Salinity Education Program

A salinity education program for agricultural, municipal and industrial users would be implemented to manage salt loads to the groundwater basin. It is estimated that Central Valley Project (CVP) water, fertilizers from agricultural and urban users, and concentration from water softeners from municipal and industrial users account for 53% of all salts entering the groundwater basin (Kennedy/Jenks 2003). The salinity education program consists of assisting agricultural water users in managing salt infiltration to the local groundwater basin. Salinity education for municipal and industrial users would occur primarily through implementation of a water softener ordinance.

Industrial Salt Control in Municipal Wastewater

This program is intended to work cooperatively with food processors and other industrial dischargers whose operations contribute elevated levels of salts to municipal wastewater treatment plants. Salts could be reduced through operational changes that reduce the use of salts, or pretreatment processes that remove salts prior to discharging wastewater into the sewer system.

Water Softener Ordinance

It has been estimated that water softeners add 2,270 tons per year or 6% of the total salt input to the groundwater basin (Kennedy/Jenks 2003). Although this is a relatively small percentage, it is substantial and easily controllable. This program would establish an ordinance requiring new

home water softeners to be regenerated off-site to prevent the introduction of salts into the sewer system. Additional components of this program could include a retrofit ordinance applicable to the resale of homes, and a grant program to assist existing homeowners in achieving conversion at lower cost.

Advanced Treatment

Advanced treatment through reverse osmosis treatment or electro-dialysis reversal could be used to demineralize groundwater or treated effluent. Demineralization of groundwater would reduce salinity and hardness of the municipal and industrial supply, which would result in lower salinity wastewater and subsequent recycled water. Groundwater treatment would involve connection of existing municipal groundwater wells to an advanced treatment system. With the implementation of the groundwater demineralization, the supply of high quality potable water would eliminate the need for water softening. Implementation of this program should reduce TDS levels of the recycled water to between 500 and 800 mg/L. As an alternative, reverse osmosis treatment or electro-dialysis reversal could occur at the DWTP. Advanced treatment at the DWTP would not address the TDS levels in the potable water supply, but would result in meeting the recycled wastewater quality objectives. As stated above, specific demineralization projects have not been identified at this time, therefore the EIR will only address advanced treatment at a programmatic level.

RWF Project

Phase I

Irrigation Projects

The RWF would initially consist of distributing recycled wastewater via pipelines for irrigation purposes to users located in proximity to the DWTP. However, due to initial TDS levels of approximately 1,200 mg/L, recycled water would only be suitable for uses that can tolerate elevated salt levels. The types of uses and the locations of projects would be dependent on the interest of property owners and the feasibility of construction and operation at specific locations. As discussed above, approximately 875 acres of irrigation projects and disposal sprayfields would be developed during Phase I.

The primary opportunity for urban recycled water use is for landscape irrigation at golf courses, parks, schoolyards, and cemeteries. Most of these areas are not considered feasible in the short term due to the costs of building pipelines to serve these areas. However, the San Juan Oaks golf course development, located three miles southwest of Hollister, is a potential customer for recycled water that could be served as part of Phase I. Recently approved expansion plans include a second 18-hole golf course, a 9-hole executive course, 200 residential units, and a 200-room resort hotel. San Juan Oaks will incorporate recycled water use to reduce the potable water demand of the proposed facilities. Recycled water from the DWTP could be provided to meet this requirement.

Agricultural Demonstration Project

To show the suitability of recycled water for irrigating edible food crops, an agricultural demonstration project may be developed during Phase I of the RWF. The demonstration project would consist of providing a volunteer grower with recycled water that is blended with Central Valley Project (CVP) water to achieve TDS levels of approximately 700 mg/L. The demonstration project would be limited to approximately 40 to 100 acres in an area currently

served by CVP water. This area is not included in the estimation of approximately 875 acres of sprayfields and irrigation projects described above, as it would utilize CVP water and application rates would be dependent upon the specific grower selected and the types of crops that would be irrigated.

Phase II

When the treated DWTP effluent TDS levels are 700mg/L or less, Phase II of the RWF would be implemented, providing for expanded recycled water use for agricultural and urban irrigation use. It is estimated that agricultural and urban uses have a combined total estimated annual demand of approximately 21,000 AFY, which far exceeds the 4,200 AFY estimated to be available in 2023.

The production of vegetable row crops, and deciduous fruit and nut trees are the major agricultural crops within the SBCWD boundary. Existing agricultural water use in northern San Benito County is approximately 54,000 acre-feet per year, which significantly exceeds the potential recycled water supply in the region. A screening evaluation was completed to identify target agricultural areas based on proximity to potential recycled water sources and grower interest in CVP water service; these target areas will be examined in the EIR.

Urban Uses

In the future it may become feasible to serve a greater variety of urban uses such as golf courses, parks, schoolyards, and cemeteries. The Ridgemark Golf and Country Club, located directly southeast of Hollister, is the largest single urban water demand that could be converted to recycled water. In addition, there are industrial operations that could potentially use recycled water. Recycled water at industrial facilities is typically used in cooling towers, boilers, manufacturing processes, and facility wash down. Potential industrial customers in the region include Granite Rock Quarry, Leatherback Industries, and several concrete companies. Future development may also offer opportunity to increase recycled water use.

TYPE OF EIR

Where there is sufficient detailed information on location and project features, the EIR will serve as Project EIR that examines environmental impacts resulting from all phases of the project, including construction, operation, and maintenance. Components that will be analyzed at a project level include the MBR facility, new septage receiving station, and the initial seasonal storage pond that will be constructed at the DWTP. The EIR will also provide site-specific analysis for the, initial irrigation projects, disposal sprayfields and Salt Management Program projects, where specific sites and pipeline alignments are identified. For project components that are not clearly specified at this time, the EIR will serve as a Program EIR, which provides an overview of the impacts associated with the total project. Components that will be analyzed at a program level include the additional seasonal storage pond, Salt Management Program, and future expanded agricultural and urban uses of the RWF Project.

ENVIRONMENTAL EFFECTS

The City has determined that an EIR is the appropriate environmental document for the project and that the EIR should address the following issues:

- *Land Use Consistency and Compatibility* – The EIR will evaluate the consistency of the Proposed Project with the adopted plans and policies of the City and San Benito County, including but not limited to the respective General Plans and Zoning Ordinances. The EIR will also analyze the Proposed Project’s compatibility with surrounding land uses.
- *Transportation and Circulation* – The EIR will include a detailed traffic study to assess the potential impacts to surrounding roadways resulting from construction of pipelines and project infrastructure.
- *Air Quality* – The EIR will address the project’s fugitive dust impacts, as well as regional air pollutant impacts, utilizing the appropriate air quality modeling tools. Potential localized odor impacts will also be addressed. The analysis will address both short-term impacts from construction and long-term impacts from operation.
- *Noise/Vibration* – The EIR will evaluate the potential impacts on ambient noise levels from construction-related and operation-related noise. Primary issues include impacts to existing noise-sensitive land uses and the creation of land use conflicts regarding noise.
- *Biological Resources* – The EIR will analyze the project’s short-term (construction) and long-term (operation) on waters of the U.S., threatened and endangered species, and other biological resources.
- *Hazardous Materials* – The EIR will address potential hazards existing at the DWTP site and potential impacts resulting from the storage and use of hazardous materials on the project site during construction and operation of the project.
- *Hydrology and Water Quality* – The EIR will analyze the project’s impacts to groundwater on a local and regional level. Potential impacts to groundwater levels in the project area, potential reduction of groundwater quality due to elevated TDS levels in treated effluent, and changes in local hydrological conditions will be addressed. The potential for impacts to surface waters, including the San Benito River, will also be addressed.
- *Growth-Inducing, Cumulative, and Short-Term and Long-Term Effects* – The EIR will analyze growth-inducing and cumulative impacts pursuant to CEQA Guidelines 15126(d) and 15130, respectively. Pursuant to CEQA Guideline 15126.2(a), the EIR will identify direct and indirect significant effects of the project on the environment with consideration given to short-term and long-term effects.

DISCUSSION OF ALTERNATIVES

CEQA Guideline 15126.6(a) requires that an EIR describe a range of reasonable alternatives for the project. The EIR will evaluate the comparative merits of the alternatives, including the No-Project alternative. Alternatives have not yet been identified; these will be proposed and analyzed during the course of the preparation of the Draft EIR. The alternatives will be determined, in part,

by public input received during the NOP comment period. To ensure that the full range of issues and alternatives related to the Proposed Project are adequately addressed and that all significant issues are identified, comments and suggestions are invited from all interested parties.

RESPONSIBLE AGENCIES

The City anticipates that approvals for the Proposed Project may be required from the San Benito County Water District, San Benito County, Central Coast Regional Water Quality Control Board, Monterey Bay Air Pollution Control District, California Department of Health, California Department of Transportation, California Department of Water Resources Division of Safety of Dams, U.S. Army Corp of Engineers, California Department of Fish and Game, and other agencies. These agencies will likely rely on this EIR in considering whether to grant approvals.

SCOPING MEETINGS

CEQA Guideline 15082(c)(1) requires that for projects of statewide, regional or area-wide significance that the lead agency conducts a scoping meeting. Accordingly, a scoping meeting will be held at 3:30 to 5:00 p.m. on Thursday, February 16, 2006 to solicit input from interested agencies. In order to solicit public input, an additional scoping meeting will be held from 6:00 to 7:30 p.m. on February 16, 2006. Both meetings will occur at the following location:

Veterans' Memorial Building
Room 105
649 San Benito Street
Hollister, CA 95023

Agencies: 3:30 to 5:00 p.m.
Public: 6:00 to 7:30 p.m.

NOP RESPONSES

Due to the time limits mandated by State law, your response must be sent no later than 30 days after receipt of this notice. Written comments or questions concerning the EIR should be received by 5:00 p.m. on Friday, March 3, 2006. Please address comments or questions to:

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c/o: Steve Wittry, Interim Engineering Manager
375 Fifth St.
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